

Message Text

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ACTION COME-00

INFO OCT-01 ARA-16 ADP-00 EB-11 AID-20 CIAE-00 INR-10

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 6631

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TAGS: BEXP, PE

SUBJ: STATE/COMMERCE COOPERATION ON COMMERCIAL PROGRAM

REF: STATE 141993

1. WE HAVE TWO SUGGESTIONS AS TO POSSIBLE TOPICS THAT MIGHT BE PLACED ON AGENDA OF AUGUST 13 MEETING. IT MAY BE THAT NEITHER WILL BE APPROPRIATE WITHIN CONTEXT OF MEETING AS PRESENTLY ENVISAGED, BUT WE BELIEVE THAT BOTH ARE SUBJECTS THAT OUGHT SOMEHOW TO BE ADDRESSED IN THE INTERESTS OF A MORE EFFECTIVE COMMERCIAL PROGRAM. THE TWO SUGGESTIONS ARE AS FOLLOWS:

2. ANDEAN PACT:

A. EMBTEL 4066 COMMENTED IN DETAIL ON OUR NEED FOR ADDITIONAL ECONOMIC/COMMERCIAL OFFICER TO ASSIST REGIONAL ANDEAN PACT OFFICER WITH COMMERCIAL AND INVESTMENT ASPECTS OF PACT. EMBASSY A-175 REQUESTED COMMERCE APPROVAL FOR SEMINAR INVOLVING SENIOR COMMERCIAL LOCALS FROM U.S. EMBASSIES IN PACT COUNTRIES FOR PURPOSES OF INSTRUCTING THEM IN COMMERCIAL INTRICACIES OF PACT. EMBTEL 5353 INFORMED DEPARTMENT OF INTEREST OF COUNCIL OF AMERICAS (COA) IN HAVING REGIONAL PACT OFFICER FULLMER ATTEND SEVERAL MEETINGS IN DIFFERENT PARTS OF THE U.S. TO ACQUAINT U.S. BUSINESSMEN WITH PACT. EMBASSY HAS ALSO

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RECEIVED SEVERAL LETTERS FROM BUSINESSMEN EXPRESSING

INTEREST IN WIDER DISSEMINATION OF INFORMATION RELATED TO PACT.

B. POINT OF FOREGOING IS THAT NEED CLEARLY EXISTS TO DEVOTE GREATER ATTENTION TO COMMERCIAL IMPLICATIONS OF PACT IF WE ARE TO AFFORD ADEQUATE SUPPORT TO U.S. BUSINESS IN ALL SIX ANDEAN COUNTRIES. THIS MEANS (1) ADDITIONAL STAFF HERE IN LIMA; (2) IMPROVEMENT IN LIAISON WITH COMMERCIAL STAFFS OF OUR EMBASSIES IN OTHER FIVE ANDEAN COUNTRIES; AND (3) INSTITUTIONALIZING DISSEMINATION OF INFORMATION ON PACT IN THE U.S., WHETHER THROUGH PRIVATE ORGANIZATIONS SUCH AS THE COA OR THROUGH DESIGNATED OFFICE IN STATE AND/OR COMMERCE.

3. EXPORT/IMPORT BANK:

A. UNPUBLICIZED, INTERNAL USG POLICY IN FACE OF OUR ADMITTEDLY SERIOUS ECONOMIC DIFFERENCES OF OPINION WITH PERU HAS BEEN TO SHUT OFF EXPORT/IMPORT BANK EXPORT FINANCING CREDITS FOR PROJECTS INVOLVING PERU. EMBTEL 5352 AND PREVIOUS RELATE TO SUCH A CASE, AND WE BELIEVE THAT WE COULD HAVE MADE SALES TOTALLING MANY MILLIONS OF DOLLARS TO PERU HAD EXIM FINANCING BEEN AVAILABLE. ARA/EP IS IN POSITION TO PROVIDE FURTHER DETAILS.

B. WHILE WE RECOGNIZE SERIOUS NATURE OF PROBLEMS WHICH HAVE LED TO THIS POLICY ON PART OF USG, WE BELIEVE WE MUST ASK OURSELVES QUESTION WHO THIS POLICY IS DESIGNED TO AFFECT. WORLD MARKET AND CREDIT CONDITIONS ARE SUCH THAT MANY NATIONS ARE INTERESTED IN SELLING PERU GOODS FOR WHICH IT IS SEEKING FINANCING. DENYING PERU EXTRA CREDITS AND HENCE ACCESS TO U.S. SOURCES OF SUPPLY THEREFORE DOES NOT PUNISH PERU. RATHER IT ADVERSELY AFFECTS U.S. SUPPLIERS WHICH MIGHT OTHERWISE HAVE MADE THE SALE. WE BELIEVE REASSESSMENT THIS POLICY IS OVERDUE. IF IMPACT ON U.S. BUSINESS INTERESTS IS ON BALANCE ADVERSE, WE BELIEVE POLICIES SHOULD BE REVERSED OR MODIFIED.

C. WHILE WE RECOGNIZE SENSITIVITY THIS ITEM, PARTICULARLY IN VIEW OF REDENT HOUSE ACTION IN RESTORING LIMITED OFFICIAL USE

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RETALIATORY LEGISLATION TO AID BILL, WE SUGGEST THAT USEFUL PRUPOSE MIGHT BE SERVED IN PLACING GENERAL QUESTION OF RETALIATORY ECONOMIC POLICY BEFORE TOP BUSINESS ADVISORS, REQUESTING THEM TO CONSIDER MATTER IN COST-BENEFIT TERMS.
BELCHER

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